

EDDIE A. PEREZ Mayor

For Immediate Release:

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## MAYOR PEREZ PRAISES CONGRESSIONAL DELEGATION FOR OBTAINING THREE-WEEK DELAY IN TARGETED IRS AUDIT OF HARTFORD TAXPAYERS

**HARTFORD, CT** -- The scheduled IRS pre-audit of 8,500 Hartford and Hartford County taxpayers who receive the Earned Income Tax Credit (EITC) by the Internal Revenue Service has been delayed by three weeks due to the efforts of Senator Joe Lieberman, Senator Chris Dodd and Congressman John Larson.

In a meeting this past Friday, IRS Commissioner Mark W, Everson pledged personally to Senator Lieberman and Congressman Larson that he would delay the beginning of the audit by three weeks in order to allow community groups to better organize efforts to assist those families subject to the new pre-audit requirements.

The IRS audit of 4,250 working families within the city of Hartford and an additional 4,250 families in towns such as New Britain, Manchester and East Hartford represents one third of the entire pre-audit being conduct nationwide.

The taxpayers subjected to this audit making \$34,000 or less, will be required to provide certification from third parties proving that their children have resided with them for more than six months in the year. Taxpayers who do not submit the extra documentation in a form acceptable to the IRS will be denied their credit. In Hartford this could represent more than \$7 million in taxpayer refunds denied (over \$14 million in Hartford County).

Though there has been no allegation of fraud in Hartford, Hartford taxpayers were targeted by the IRS to "test" the anti-fraud technique of pre-audit to see how many taxpayers legally entitled to the credit would be deterred from filing for the EITC or would fail to properly file the appropriate paperwork. The IRS is conducting the test to help them reduce the number of nationwide erroneous claims of the EITC, a complex tax credit requiring 53 pages of IRS instructions.

"I want to thank Senator Lieberman, Congressman Larson and Senator Dodd for fighting for the right of working families in Hartford not to be subject to a random audit by the IRS. Their ability to obtain a three week delay of the audit in order to allow community groups to better prepare for this audit will allow us to organize some necessary assistance to our taxpayers. However, the IRS has yet to explain how they will mitigate the affects of the pre-audit on primarily **Latino** and **African-American** taxpayers, who may have their tax refunds denied or delayed simply because the IRS needed to experiment with the pre-audit technique on a community. Those who commit tax fraud should be prosecuted. However, the IRS should not make hard working taxpayers, prove their innocence in order to obtain a credit to which they are legally entitled." Mayor Eddie A. Perez stated.